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ABSTRACT

With the ninth module in a 17-module self-instructional course on student financial aid administration, novice financial aid administrators are taught about financial aid award packaging. A fundamental understanding of management of federal financial aid programs authorized by Title IV of the Higher Education act is provided. After completing the module, the user should be able to define the term "financial aid award package," list the components used to determine financial need prior to packaging, identify factors that must be considered when developing a packaging policy, and identify packaging techniques and options an aid administrator might use. Information is offered on the following topics: development of packaging as a concept; development of an institutional policy (federal guidelines, identifying the institution's philosophy and objectives, institutional objectives in awarding aid, and other contributing factors); general principles in awarding federal and state assistance; developing a general policy statement and a detailed packaging policy (standard features of a packaging policy and examples of detailed award packaging policies); implementing the policy (development of office procedures, steps in packaging, case studies, manual award packaging, automated award packaging, and award notification and appeal procedure); and packaging techniques and variations. A pre-test, post-test, glossary, and acronyms are included. Contains four references. (SM)

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A Self-Instructional Course in Student Financial Aid Administration

An Introduction and Guide to the Administration of Federal Title IV Student Financial Aid Programs

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HE 022189

A Self-Instructional Course in Student Financial Aid Administration

United States Department of Education Office of Student Financial Assistance

Award Packaging

9

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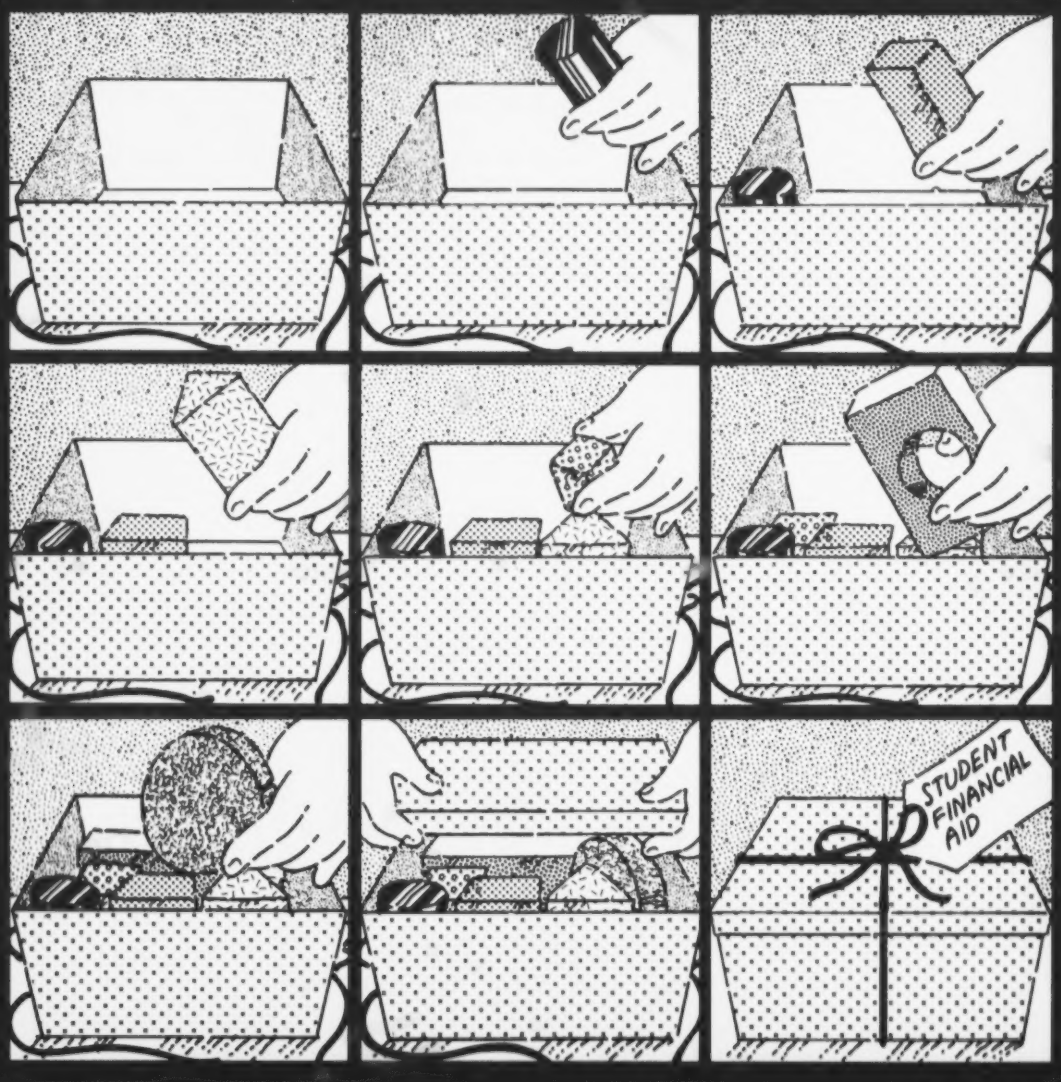

A
Self-Instructional
Course
in Student
Financial Aid
Administration

United States
Department of
Education
Office of
Student Financial
Assistance

This publication is one component of *A Self-Instructional Course in Student Financial Aid Administration*. This Second Edition of the course consists of the following modules:

1. Student Financial Aid Administration: Course Study Guide and Introduction to the Field
2. Federal Student Financial Aid: History and Current Sources
3. The Legislative and Regulatory Processes
4. Roles and Responsibilities of the Financial Aid Office
5. Title IV Institutional and Program Eligibility
6. General Student Eligibility
7. Calculating Cost of Attendance
8. Need Analysis
9. Award Packaging
10. The Pell Grant Program
11. The Stafford Loan, SLS, and PLUS Programs
12. Campus-Based Programs: SEOG, CWS, and Perkins Loan
13. Verification
14. Authorization, Fiscal Operations, and Reporting
15. Internal Aid Office Management and Institutional Quality Control
16. Forms and Publications
17. Evaluation of Student Aid Management: Self-Evaluation, Audit, and Program Review

The course includes a Support Booklet with the complete course glossary, acronyms, key resources, bibliography, and index, as well as addresses of publishers mentioned in the course. The Support Booklet also offers guidelines for further study.

UNITED STATES DEPARTMENT OF EDUCATION
WASHINGTON, D.C. 20202

October 1988

Dear Colleague:

We are pleased to present the Second Edition of A Self-Instructional Course in Student Financial Aid Administration. This updated version of the course originally published in 1986 incorporates provisions of the Higher Education Amendments of 1986, with 1987 Technical Amendments and subsequent amendments.

The purpose of the course remains the same. It is designed to provide neophyte financial aid administrators (those with two years or less experience in student aid) and other institutional personnel with a systematic introduction to management of federal financial aid programs authorized by Title IV of the Higher Education Act. Students of the course will gain a fundamental understanding of the roles and responsibilities of participating institutions and of student aid administrators. On completion of the course, they will be prepared to expand this knowledge with the use of training and reference materials, on-site training opportunities, and contacts with other members of the profession.

The materials were revised under a contract with the Washington Consulting Group. The text was reviewed for technical accuracy by many staff members of the Office of Student Financial Assistance (OSFA). Special acknowledgement is due to both project staff and OSFA specialists for accomplishing very wide-ranging modifications of the text during a period when much legislative and regulatory activity affecting student aid was in progress.

Your comments and suggestions regarding any aspect of the materials are welcome. OSFA is particularly interested in learning 1) the level of experience and job responsibilities of personnel at your institution using the modules; 2) the purposes for which they are being used (for example, self-study, training new staff, reference); and 3) whether you feel that this publication is among those that OSFA should continue to update and disseminate annually. You may send your comments to the Training Branch, OSFA/ED, 400 Maryland Avenue S.W., Washington, D.C. 20202.

Sincerely,

Dewey L. Newman
Deputy Assistant Secretary for
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Daniel R. Lau
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Enclosure

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MODULE 9

AWARD PACKAGING

The technical information in this module is based on laws, regulations, policies, and procedures in effect as of:

August 20, 1988

This is one component of *A Self-Instructional Course in Student Financial Aid Administration*. This Second Edition of the course has been prepared by The Washington Consulting Group, Inc., under a contract with the U.S. Department of Education.

The course consists of 17 modules and a support booklet. It provides an introduction and guide to the administration of student financial aid programs authorized under Title IV of the Higher Education Act of 1965, as amended. The titles of the modules are listed on the inside front cover of this publication.

Institutions may freely reproduce the course for their own use. For more information on the course, contact one of the Department of Education offices listed on the inside back cover of this publication.

TABLE OF CONTENTS

Page			
v	**Learning Objectives and Introduction**		
vi	**Pre-Test**		
1	**Award Packaging**		
1	9.1	Development of Packaging as a Concept	
1	9.2	Development of an Institutional Policy	
1		9.2.1	Federal Guidelines
2		9.2.2	Identifying the Institution's Philosophy and Objectives
4		9.2.3	Institutional Objectives in Awarding Aid
4		9.2.4	Other Contributing Factors
5	9.3	General Principles in Awarding Federal and State Assistance	
6	9.4	Developing a General Policy Statement and a Detailed Packaging Policy	
8		9.4.1	Standard Features of a Packaging Policy
9		9.4.2	Examples of Detailed Award Packaging Policies
15	9.5	Implementing the Policy	
15		9.5.1	Development of Office Procedures
16		9.5.2	Steps in Packaging
18		9.5.3	Case Studies
23		9.5.4	Manual Award Packaging
25		9.5.5	Automated Award Packaging
26		9.5.6	Award Notification and Appeal Procedure
27	9.6	Packaging Techniques and Variations	
27		9.6.1	Packaging Techniques
30		9.6.2	Packaging Variations
36	**Summary**		
38	**Post-Test**		
42	**Glossary**		
44	**Acronyms**		
45	**Key Resources**		
46	**Index**		

MODULE 9

AWARD PACKAGING

❑ LEARNING OBJECTIVES

After completing Module 9, you will be able to:

- ✧ define the term *financial aid award package;*
- ✧ list the components used to determine financial need prior to packaging;
- ✧ outline the regulatory guidelines the Department of Education (OSFA) gives the aid administrator for the development and use of a packaging policy;
- ✧ outline the steps an institution should take to develop an overall packaging philosophy and detailed packaging policy for student aid;
- ✧ identify factors that must be considered when developing a packaging policy;
- ✧ list procedural steps for packaging in both manual and automated recordkeeping systems; and
- ✧ identify packaging techniques and options an aid administrator might use.

❑ INTRODUCTION

Our discussions in Module 7, Cost of Attendance, and Module 8, Need Analysis, provided a basic understanding of the two components of the financial need formula:

Cost of Attendance - Expected Family Contribution = Financial Need

You should now know how to determine educational costs (cost of attendance, or COA) and how to measure a family's ability to contribute to those costs (expected family contribution, or EFC). Any difference between these two amounts represents financial need. Meeting that need leads us to the subject of award packaging--one of the essential steps in delivering aid to students.

In a general sense, award packaging is the distribution of available student aid to eligible students. More specifically, it is a process by which the aid office awards a combination of types of aid (grants, loans, work opportunities) from several sources to meet part or all of a student's financial need.

Given the variety of sources of aid, the process for distributing combinations of types of aid appears complicated. As a result, you may ask yourself, "How do I determine what types and amounts of aid should be included in these aid packages?" and "Are there any federal

guidelines or requirements in award packaging?" By the close of this module you should be able to answer these questions.

We have reached the point in the application and awarding process where the financial aid administrator takes center stage. You and your office are the focal point for coordinating and awarding all available aid to needy students. The results of your work will significantly affect your students and your institution.

PRE-TEST

1. According to Title IV student aid regulations, an institution's packaging policy must meet the full financial need of any eligible student. True or False?

2. Self-help forms of aid are: (circle all that apply)

   a. Pell Grant
   b. loans
   c. SEOG
   d. outside grants obtained by the student
   e. College Work-Study jobs

3. Although a packaging policy is in use and is on file in the financial aid office, the aid administrator may deviate from it on a case-by-case basis when special circumstances are involved. True or False?

4. The fixed percentage equity award packaging technique includes the following: (circle all that apply)

   a. an increasing percentage of self-help aid to be awarded to all eligible students as they progress toward the completion of their academic programs
   b. a fixed percentage level of gift aid to be awarded to all eligible students
   c. a formula for determining a percentage of gift aid
   d. a fixed dollar amount of gift aid to be awarded to all eligible students

5. Institutions are free for the most part to determine their own financial aid award packaging policies. True or False?

6. The term "award packaging" refers to the process used to: (circle all that apply)

   a. distribute available student aid resources to eligible students
   b. revise an award to prevent overawarding
   c. award combinations of types of aid (grants, loans, and work opportunities) to meet a student's financial need
   d. demonstrate financial need
   e. establish the family's expected contribution

7. The selection criteria used by the institution to award Title IV aid must: (circle all that apply)

   a. include procedures to ensure that students with exceptional financial need are given priority for SEOG and Perkins Loan funds
   b. be maintained in the files of the student financial aid office
   c. be in writing
   d. be the same for all proprietary institutions
   e. be uniformly applied to all eligible students
   f. remain unchanged unless the Department of Education approves a change and signs a new Participation Agreement with the school

8. A student's aid package must be adjusted whenever the aid administrator becomes aware of a previously unreported resource which, when added to existing aid, would cause an overaward. True or False?

9. In packaging aid, the aid administrator must always award self-help forms of aid before awarding any grant assistance. True or False?

10. Some of the standard features of a detailed award packaging policy include: (circle all that apply)

    a. priorities in funding, should funds be insufficient
    b. procedures for calculating a student's cost of attendance
    c. procedures for identifying exceptionally needy students who must receive SEOG and Perkins Loan funding priority
    d. minimum and maximum award amounts for each type of assistance
    e. policies on funding late applications and multiple class starts
    f. percentages of gift aid and self-help assistance that can be expected in award packages for specific categories of students, as well as percentages of total need that can be met
    g. formulas for computing the family's EFC

11. In award packaging, other outside resources, such as an outside scholarship not used in computing the expected family contribution, should be considered in packaging Title IV aid to prevent an overaward. True or False?

12. Which award packaging technique funds applicants with non-self-help aid up to a certain dollar amount?

    a. the absolute equity concept
    b. the self-help concept
    c. the ladder concept

13. By regulation, all eligible students in the same academic program must be awarded an equal amount of College Work-Study aid. True or False?

ANSWERS

1. False. (9.2.1, 9.4.1)*
2. b. and e. (9.1; see also Module 2, Section 2.4.)
3. True. (9.5.2, 9.6.1)
4. b. and c. (9.6.1)
5. True. (9.2.)
6. a. and c. (9.1, 9.2.1)
7. a., b., c., and e. (9.2.1)
8. True. (9.5.2)
9. False. (9.3, 9.6.1)
10. a., c., d., e., and f. (9.4.1)
11. True. (9.5.2)
12. a. (9.6)
13. False. (9.2.1)

*For quick access to information on this question, see these sections.

Questions: 13 Your Score:____ Percentage:____

AWARD PACKAGING

9.1 DEVELOPMENT OF PACKAGING AS A CONCEPT

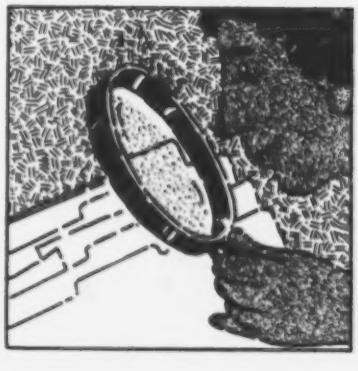
The principle that aid should be awarded according to some established criteria has been with us as long as scholarship assistance has existed. The concept of packages or combinations of types of aid grew with the expansion of the major federal student aid programs. Once the three general categories of federal aid--grants, loans, and work--were established, institutions needed a systematic approach to awarding combinations of aid. The growth of state and other sources of assistance increased the need for more efficient and effective coordination and distribution of available funds. At most institutions, the financial aid office became both a custodian and a clearinghouse for a great volume of federal, state, and institutional dollars.

9.2 DEVELOPMENT OF AN INSTITUTIONAL POLICY

9.2.1 Federal Guidelines

As in other areas of student financial aid, federal legislation and regulations are a source of basic guidelines in the awarding of student aid funds. Regulations for all three campus-based programs (34 CFR 674.10, 675.10, and 676.10) describe the institution's responsibilities in the selection of award recipients. The regulations require that institutions develop selection procedures for awarding aid and that these procedures be:

- uniformly applied;
- in writing; and
- maintained in the files of the student financial assistance office.



These regulations also direct institutions to make funds reasonably available to all eligible students who demonstrate financial need, to the extent that funds are available. Further, General Provisions regulations require institutions to publish their criteria for selecting

recipients from among the group of eligible applicants and for determining the amount of each student's award. Stafford Loan, SLS, and Perkins Loan legislation requires that in the awarding process, a student must have his or her Pell Grant eligibility determined before a Stafford or SLS loan can be certified or a Perkins Loan awarded.

- The *Stafford Loan* program was formerly known as the Guaranteed Student Loan (GSL) program.
- An applicant for an SLS loan must have a determination of eligibility for a Stafford Loan and, if eligible, must apply for a Stafford Loan.

Recent changes in the law resulting from the Higher Education Amendments of 1986 and subsequent amendments provide additional guidelines. An institution must now make a reasonable proportion of its campus-based funds available to less-than-full-time students *if that institution's annual allocation was based on the financial need of such students.* The new law also expands eligibility for campus-based funds to less-than-half-time students. Therefore, institutions will now have to develop policies for awarding aid to less-than-full-time students.

Priority in the awarding of SEOG and Perkins Loan funds must now be given to students who show exceptional financial need. For SEOG purposes, this means students with the lowest expected family contributions who have also received Pell Grant awards.

With the exception of program-specific criteria in the awarding of SEOG and Perkins Loan funds, the Higher Education Amendments provide very general guidelines. There are no specific guidelines on the composition of aid packages. Therefore, *award packaging is subject to an institution's individual characteristics and needs.* Operating within the general federal guidelines, the aid administrator has the flexibility to meet institutional and student needs. Developing selection procedures and an overall award packaging policy requires expert professional judgment.

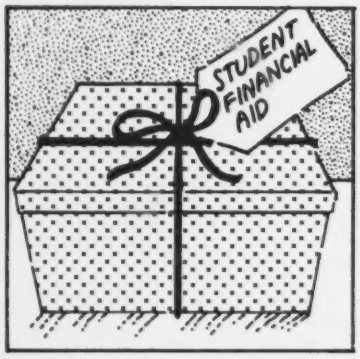
9.2.2 Identifying the Institution's Philosophy and Objectives

Examining your institution's goals and philosophy...

Awarding aid systematically requires thought and planning. It means developing an overall packaging philosophy, a specific packaging policy, and procedures for implementing the policy. You cannot develop policies and supporting procedures for a particular award year, however, until you have examined your institution's philosophy and objectives in awarding aid.

Identifying an institution's goals and understanding its philosophy means a close examination of the institution's

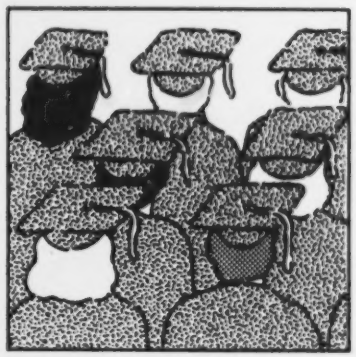
stated educational mission and other identifying characteristics. Institutional catalogues and other publications are a good place to start for general statements on educational mission and goals. Discussions with other administrators (president, chief executive officer, owner, fiscal officer, director of admissions, and dean of students) will update you on the institution's current and future goals. Several factors may shape an institution's mission and goals:



- ✧ *historical development or affiliation*
  - Was the institution established as a result of legislation to fill community or state needs, as with community colleges or state vocational schools?
  - Was the institution founded as a privately owned, profit-making, or nonprofit institution?

- ✧ *geographic location*
  - Is the institution in a rural, suburban, or urban setting?

- ✧ *institutional characteristics*
  - Is it a residential or commuter campus, or a combination of both? Single or multi-campus?
  - Is it a public institution largely supported by state or local tax dollars, or a private institution dependent upon tuition revenues and donations?
  - Does it maintain a selective or an open admissions policy, or is it somewhere in between?



- ✧ *nature of the student body*
  - Are students drawn from a nationwide and international applicant pool, or are they almost all from the local community?
  - Are they a racially, ethnically, and socio-economically mixed population?
  - Are they 18- to 22-year-old students, an older, nontraditional population, or a combination?
  - Are they a population enrolled in school to develop special talents such as music, dance, or art?

- ✧ *academic programs offered*
  - Does the institution offer undergraduate, graduate, and professional degrees in a wide variety of academic disciplines, or does it emphasize a four-year liberal arts program?

- Does it provide only short-term, technical, and vocational programs?

After examining existing federal guidelines, your institution's goals and characteristics, and other contributing factors, you and your student financial aid committee should be able to develop a broad financial aid policy statement that supports the institution's philosophy, mission, and goals.

9.2.3 Institutional Objectives in Awarding Aid

Regardless of the institution's individual characteristics, there are some widely shared institutional objectives in the awarding of federal and institutional dollars:

- ✧ Aid is awarded in sufficient amounts to allow access to the institution to as many eligible students as desired.
- ✧ Aid is awarded in ways that maximize the use of all available funds--federal, state, and institutional.
- ✧ Aid is awarded to attract and retain certain kinds of students to fulfill the institution's mission and goals.

9.2.4 Other Contributing Factors

There are several other factors over which you may have no control that will affect your development of a packaging policy.

- ✧ Academic programs at institutions may vary in length and kind (e.g. technical, liberal arts, and professional), and therefore they will differ in total costs.
- ✧ Your student body profile may show a more financially needy population than other institutions offering similar programs of study.
- ✧ Total resources available (types and amounts of funding) at your institution may be less than those available at other institutions offering similar programs of study.

- ✧ Tuition and fee costs at a private institution may be higher than at a publicly supported institution, requiring a larger average award package.

- ✧ Your institution may have a long-standing policy on priorities for funding that will determine who gets money first, if there are not enough funds available to meet the needs of all applicants.

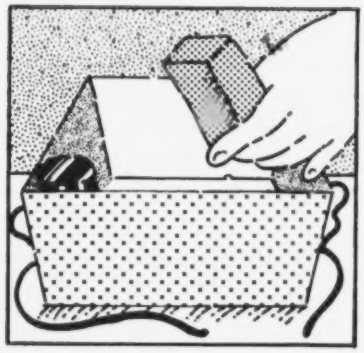
- ✧ You may have previously set a recommended limit on debt for a given academic level or program of study. Students will be counseled not to exceed this amount of debt.

- ✧ Your institution's geographic location may severely restrict the development of educationally or vocationally relevant off-campus CWS employment in the nonprofit or profit-making sectors.

Some of these factors may change from year to year. The total of federal and other student aid dollars may be reduced while your tuition and fee costs rise. Priorities for funding when a shortfall of funds exists may be adjusted annually.

As you can see, before you can develop an award packaging policy for a specific award year, you need to know your institution--its educational philosophy, objectives in the use of student aid, and other factors influencing the institution. With all of these elements in mind, you are in a position to develop a general award policy statement for use in student consumer publications and a detailed award packaging policy statement for use by your staff.

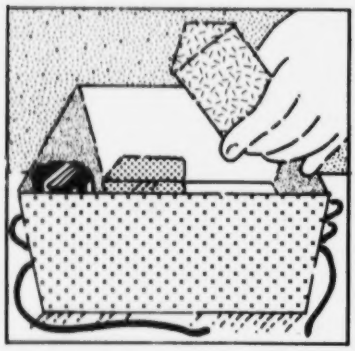
9.3 GENERAL PRINCIPLES IN AWARDING FEDERAL AND STATE ASSISTANCE



Most of the available student aid funds at most institutions are from federal and state sources. There are some general principles and statutory requirements underlying the awarding of federal and state funds.

- ✧ Students and parents should take the primary responsibility for paying for educational costs.

- ✧ Awards should be based on financial need with a commitment to funding the neediest students. Priority for SEOG and Perkins Loan funds must be given to those students who show exceptional need.
- ✧ Award policies should support the goal of equal educational opportunity and access to postsecondary education.
- ✧ The EFC used to calculate need for need-based awards must be determined by statutory need analysis formulas.
- ✧ There must be an institutional commitment to equitable and consistent treatment of all applicants.
- ✧ There must be established policies on distributing self-help and gift aid assistance and on any priorities for funding.

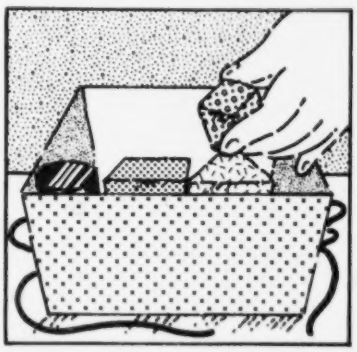


9.4 DEVELOPING A GENERAL POLICY STATEMENT AND A DETAILED PACKAGING POLICY

You have reviewed federal regulatory guidelines and general underlying principles in packaging federal and state sources of aid. In addition, you have identified your institution's philosophy and objectives in awarding aid, and other institutional factors that may influence your award packaging policy. Now you are in a position to develop a general award policy statement for student consumer publications and a detailed packaging policy.

A financial aid packaging policy is generally developed by the financial aid administrator alone, or with the help of a financial aid committee or the institution's fiscal officer.

A general packaging policy statement describes the institution's philosophy and objectives in awarding aid, student requirements in the application process, and any funding priorities or special commitments made by the institution in the awarding process. The following are examples of general financial aid policy statements for institutions:



HOMETOWN UNIVERSITY

The role of the financial aid office at Hometown University is to help eligible students pursue their educational goals. First and most importantly, Hometown University believes it is the responsibility of parents and students to meet educational costs through employment, earnings, and other available resources. It is the goal of the Financial Aid Office to ensure that no student will be denied an opportunity for an education due to lack of funds. Hometown University makes a special commitment to students from economically disadvantaged backgrounds through its Educational Opportunity Program.

To the extent funds are available, Hometown University is committed to meeting the full documented need of all students. Through federal, state, and institutional resources, the University provides award packages which contain both gift and self-help forms of assistance. Priority consideration for funding is given to students who meet established deadlines for submission of aid forms.

Statement #1: Sample general policy statement for Hometown University--a standard term/semester institution.

GREATER DOWNTOWN BUSINESS COLLEGE

The College's financial aid policy is based on the philosophy that the primary responsibility for paying for educational costs rests with students and parents. Financial aid funds are awarded to supplement a family or student contribution when family funds alone cannot cover educational expenses. Grant, scholarship, work-study, and loan assistance is available.

Financial aid awards are made on a first-come, first-served basis for each program start date. Although applications are accepted throughout the award year, Greater Downtown Business College recommends that students submit applications at least 8 weeks before the start of their programs to receive full consideration for available funds. Late applicants may apply for loan assistance throughout the academic year; grant and scholarship aid is awarded if funds are available.

Statement #2: Sample general policy statement for Greater Downtown Business College--a nonterm institution with clock-hour programs.

In developing a *detailed packaging policy*, you must establish the selection criteria, award amounts, and funding priorities you will apply in making awards during a given award year. The campus-based federal regulations state that these criteria must be "uniformly applied, in writing, and maintained in the files of the financial assistance office." General Provisions regulations require the establishment of criteria for selecting

recipients from the group of eligible applicants, and for determining the amount of a student's award. The law requires that priority in awarding SEOG and Perkins Loan funds be given to those students who show exceptional financial need.

9.4.1 Standard Features of a Packaging Policy

In addition to these federal standards, an institutional packaging policy usually includes the following features:

- ✧ minimum and maximum award amounts for each type of assistance;
- ✧ priorities in funding, such as on-time or continuing applicants, if the institution has such priorities;
- ✧ a statement regarding the composition of student aid packages (e.g. percentages of gift aid and self-help assistance that can be expected in packages for specific categories of students);
- ✧ a statement regarding the percentage of total documented financial need that the institution will usually meet;* and
- ✧ policies, if applicable, for funding:
  - late applicants,
  - multiple class starts, and
  - later academic sessions.

Finally, our earlier discussions of general student eligibility (Module 6) and the sources of student aid (Module 2) detailed both general and program-specific restrictions that must be observed in the award packaging process, such as:

- ✧ Pell Grants and Supplemental Grants (SEOG) are restricted to undergraduates with no previous B.A. or B.S. degrees.
- ✧ Supplemental Grants (SEOG) have an award minimum of $100 and a maximum of $4,000 for an academic year.
- ✧ Perkins Loan and Stafford Loan award aggregates are based on year in school.
- ✧ SEOG and Perkins Loan funds must be awarded first to students who show exceptional financial need.

*The federal government and many states support programs designed to increase postsecondary educational opportunities for low-income, academically underprepared and/or physically handicapped students. The federal government's special programs for students from disadvantaged backgrounds are known as the TRIO programs. These are the Educational Opportunity Centers, Talent Search, Upward Bound, and Student Support Services programs. Legislation governing the Student Support Services program requires institutions receiving grant funds to support a Student Support Services program to provide sufficient financial assistance--grants-in-aid, tuition waivers, and other forms of financial assistance--to meet the full financial need of students participating in the program.

Refer to Module 2, Federal Student Financial Aid, History and Current Sources, and Module 6, General Student Eligibility.

For the SEOG program, this means those students who have the lowest EFC and have received Pell Grants. For Perkins Loans, exceptional need must be defined in institutional policies.

- ✧ Pell eligibility must be determined prior to certification or award of Title IV loans.

- ✧ An applicant for an SLS loan must first have a determination of eligibility for a Stafford Loan.

9.4.2 Examples of Detailed Award Packaging Policies

With these issues in mind, we now look at sample detailed packaging policies developed at Hometown University, a standard term institution, and Greater Downtown Business College, a proprietary institution offering nonterm, clock-hour programs. (Note: By law, the maximum SEOG award to a student for an academic year is $4,000. However, Hometown University's 1988-89 SEOG authorization level will only allow a maximum award of $2,000.)

EXAMPLE 1: PACKAGING POLICY AT A STANDARD TERM INSTITUTION

Having considered all pertinent factors, Marge Moore, our aid administrator at Hometown University, is ready to develop her packaging policy for the 1988-89 academic year. Once her policy is drafted, it is submitted to the financial aid committee at Marge's institution for review and possible revision before it is put into practice.

Hometown University is a publicly supported institution that has undergraduate and graduate programs of study. Its 14,000-student population represents both in-state and out-of-state residents, and the university is located near a major metropolitan area. Hometown is a residential campus, but it has a significant number of commuting students in its evening programs.

It is a credit-hour institution using semesters, and its academic year runs from September to May. Hometown University participates in all the Title IV programs and has a modest amount of institutional funds to award. It will accept a need analysis report from the ED central processor, an MDE processor, or a service agency using a certified need analysis system. This is the packaging policy developed by Marge for the 1988-89 award year:

Hometown University 1988-89 Academic Year Packaging Policy

Funding Procedures and Priorities

1. Priority in funding is given to students whose applications for aid are complete by March 15, 1988 for the upcoming (1988-89) academic year. (Applications are complete only when an applicant has been admitted to Hometown University and has submitted all required and requested supporting documents to the financial aid office.)

2. *Spring Semester Applicants:* Priority in funding is given to those applicants who submit complete applications by November 1, 1988.

3. *Late Applicants* are funded on a first-come, first-served basis if funds are available.

4. *Applicants for Later Periods of Attendance* (Spring Semester or Summer Session) may receive awards from funds recovered through award revision and cancellation and through enrollment attrition.

5. *New Students* admitted under the Educational Opportunity Program are given a larger percentage of gift aid throughout their undergraduate years of attendance.

6. *Students with Exceptional Financial Need* are given priority in the awarding of SEOG and Perkins Loan funds. Among students who meet exceptional financial need criteria and who have equal EFCs, priority in awarding SEOG funds will be given to those who are enrolled at least half-time. For Perkins Loans, Hometown University defines a "student with exceptional financial need" as a Pell Grant recipient with an SAI of 0.

7. All Stafford Loan applicants must apply for a Pell Grant and have their Pell eligibility determined before Stafford Loan application processing can be completed.

8. All SLS loan applicants must have their Stafford Loan eligibility determined and, if eligible, must apply for a Stafford Loan before SLS loan application processing can be completed.

Award Limitations

Students with demonstrated financial need of less than $100 will not be funded. Students with more than $100 of need will be fully funded, if funds permit. Awards will not exceed demonstrated need.

Distribution of Funds

Gift Aid: The percentage of gift aid (grants and scholarships) offered to a student is dependent on *academic level*. Exception: Students admitted under the Educational Opportunity Program (EOP). Due to funding limitations, Hometown University sets an annual SEOG award maximum of $2,000.

EOP Students: 75% of net need in gift aid for all undergraduates
Freshmen and Sophomores: 60% of net need in gift aid
Juniors, Seniors, and Graduate Students: 35% of net need in gift aid

Self-Help: Self-help assistance (loans and student employment) is a mandatory part of every student's financial aid package. With the exception of Educational Opportunity Program students, the percentage of self-help increases as students progress toward the completion of their academic programs.

EOP Students: 25% of net need in self-help aid for all undergraduates
Freshmen and Sophomores: 40% of net need in self-help aid
Juniors, Seniors, and Graduate Students: 65% of net need in self-help aid

On the next page you will find a packaging chart used by the financial aid office at Hometown University to package aid, in accord with the policy described above.

HOMETOWN UNIVERSITY 1988-89 ACADEMIC YEAR PACKAGING POLICY
SEQUENCE OF AID DISTRIBUTION WITH AWARD MINIMUMS AND MAXIMUMS

AID SOURCE	*EOP Students*	*Freshmen and Sophomores*	*Juniors, Seniors, and Transfer Students*	*Percent*	*Graduate Students*	*Percent*
A. Outside Resources, Private Scholarships, Stafford/SLS/ PLUS, etc.	$_____	$_____	$_____		$_____	
B. Pell Grant	$_____	$_____	$_____		Not eligible	
C. State Grant	$500 minimum $1,000 maximum	$500 minimum $1,000 maximum	$500 minimum $1,000 maximum		Not eligible	
REMAINING NEED FOR CAMPUS-BASED AND INSTITUTIONAL FUNDS (NET NEED)						
D1. SEOG	$100 minimum $2,000 maximum	$100 minimum $1,500 maximum	$100 minimum $500 maximum	***Gift Aid:*** •EOP students 75% •Freshmen and Sophomores 60% •Juniors, Seniors, and Transfer Students 35%	Not eligible	***Gift Aid:*** 35%
D2. •Hometown U. Grant or Academic Scholarship (Undergrads) *•Hometown U. Fellowship or Merit Scholarship (Graduates)*	$200 minimum $1,500 maximum	$200 minimum $1,200 maximum	$200 minimum $800 maximum		Up to half tuition	
E1. CWS	Up to $1,000	$900 minimum $1,500 maximum	$1,500 minimum $2,000 maximum	***Self-Help Aid:*** •EOP students 25% •Freshmen and Sophomores 40% •Juniors, Seniors, and Transfer Students 65%	Up to $2,000	***Self-Help Aid:*** 65%
OR	*OR*	*OR*	*OR*		*OR*	
E2. Perkins Loan	Up to $1,000	$900 minimum $1,500 maximum	$1,500 minimum $2,000 maximum Not to exceed $3,000 aggregate total for 2 years of undergraduate study		Up to $2,000	

Step 1. Determine student classification--freshman, EOP, etc.

Step 2. Determine net need (remaining need) as follows: Gross Need - A - B - C = Net Need.

Step 3. Package other gift aid (D1, then D2) up to percent indicated by student classification.

Step 4. Package self-help aid (E1 or E2) up to percent indicated by student classification.

Step 5. If need remains, repeat steps 3 and 4.

Step 6. If need remains after repeating steps 3 and 4 and a Stafford/SLS/PLUS loan application has not been processed, recommend Stafford/SLS/PLUS.

EXAMPLE 2: PACKAGING POLICY AT A NONTERM INSTITUTION

Dave Brown, the aid administrator at Greater Downtown Business College (GDBC), develops his packaging policy annually after consulting with the admissions officer and business officer. The admissions officer provides projected enrollment figures and assists in estimating the financial aid needs of incoming students. The business officer updates program costs (tuition, fees, and average board expenses) and provides data on institutional student aid funds available for the upcoming academic year.

GDBC is a proprietary institution of 2,000 students offering short-term business and data processing programs. It is a nonterm institution measuring academic progress in clock hours. It draws its student body from the surrounding metropolitan area and is a commuter campus. The majority of its evening program students attend on a part-time basis.

GDBC participates in all the Title IV programs and maintains small institutional scholarship/ grant programs and an on-campus student work program. It uses the Congressional Methodology (CM) family contribution (FC) resulting from the Application for Federal Student Aid (AFSA) as its approved system of need analysis for campus-based awards.

Greater Downtown Business College 1988-89 Academic Year Packaging Policy

Funding Procedures and Priorities

1. There are no established deadlines for the receipt of aid applications. Applications are accepted throughout the award year; however, they should be received at least 8 weeks prior to a program start date to ensure maximum consideration for available funds.

2. All aid is awarded on the basis of financial need, except the on-campus student work program which uses only institutional funds.

3. In accordance with federal law, priority in the awarding of SEOG and Perkins Loan funds is given to those students who demonstrate exceptional financial need. For purposes of the Perkins Loan program, GDBC defines a "student with exceptional financial need" as a student whose remaining need (after the Pell Grant, the EFC, and any state grant have been subtracted) is more than half of the total cost of attendance.

4. Financial aid awards are made throughout the award year on a *first-come, first-served basis* until designated funds for the particular start date are exhausted.

5. *Late applicants* for a particular class start are funded on a first-come, first-served basis if funds are available. These students should anticipate that the availability of loan funds will exceed that of grant funds.

6. All Stafford Loan and campus-based program applicants must apply for a Pell Grant and have their Pell eligibility determined before aid packaging can be completed.

7. All SLS loan applicants must have their Stafford Loan eligibility determined and, if eligible, must apply for a Stafford Loan before SLS loan application processing can be completed.

Award Limitations

A student's total award will not exceed 75% of demonstrated net financial need. Students without previous B.A. or B.S. degrees must apply for available state grant funds before they will be considered for institutional funds. Students may borrow under the Stafford Loan and/or SLS/PLUS programs to meet remaining financial need.

Distribution of Funds

Gift Aid: The amount of gift aid (grants and scholarships) awarded to a student represents 40% of the 75% of net financial need that the college is prepared to meet.

Self-Help: Self-help assistance (Perkins Loans and student employment) will be awarded to meet remaining net need (not to exceed 75% of net need) after gift aid is awarded.

60% of available funds are committed to major program start dates in July, September, and January. Remaining funds are divided evenly between November, March, and May program starts.

Packaging Sequence

Step 1. Calculate need for campus-based funds:

Student Budget
- EFC
- Expected Pell Grant Disbursement
- Expected State Grant
= Net Need

Net need x 75% = Need to be met with campus-based funds

Refer to Module 7 for information on calculating student budgets (cost of attendance), and Module 8 for a discussion of the need analysis formula that determines a family's EFC.

Step 2. Award gift aid: 40% of the 75% of net need to be met with campus-based gift aid funds.

	6-Month Certificate Program	*12-Month Certificate Program*	*16-Month Certificate Program*
A. SEOG (if eligible)	$100-400	$600-1,000	$800-1,500
B. Institutional Scholarship (if academically qualified) or Institutional Grant	$200 up to maximum gift aid %	$500 up to maximum gift aid %	$800 up to maximum gift aid %

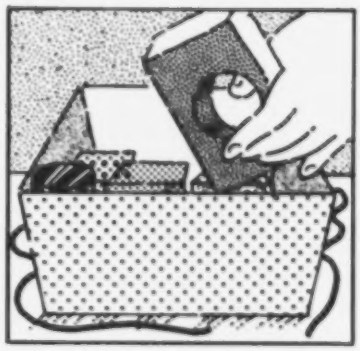
Step 3. Award self-help: 60% of the 75% of net need to be met with campus-based self-help funds.

	6-Month Certificate Program	*12-Month Certificate Program*	*15-Month Certificate Program*
A. CWS	$800-1,600	$1,600-3,000	$2,200-4,100
B. Perkins Loan	remaining net need up to 60% self-help ceiling	remaining net need up to 60% self-help ceiling	remaining net need up to 60% self-help ceiling

9.5 IMPLEMENTING THE POLICY

Once an award year's packaging policy has been developed (or reviewed and updated from the previous year), the aid administrator takes steps to implement it. Implementation requires:

- development of office procedures that are designed to ensure the consistent and efficient application of the policy
- development of test procedures to try out the policy
- test runs of sample cases and possible refinements in the policy if test results are unsatisfactory



9.5.1 Development of Office Procedures

Your procedures may differ depending upon office size and organization:

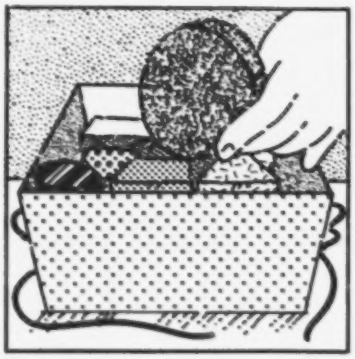
- In aid offices with more than one professional staff member, you may need to decide:
  - how many staff members will be directly involved in award packaging
  - if preliminary file evaluation and financial need determination will be a separate function from packaging handled by other staff members
- Packaging using a manual or automated system, or a combination of both, will require different procedures.

Larger offices require greater coordination within the aid office to ensure the smooth flow of procedures. Functions involved in preparation for packaging (file evaluation and need determination) and actual awarding may be divided or shared among a number of staff members.

Additionally, if you use some form of automated packaging, coordination may involve personnel outside your office. Computer programmers will need information on award packaging parameters and required edits from the aid office to develop or modify the automated award packaging program. Other data processing personnel may be involved in running and reviewing test cases, scheduling award packaging computer runs, and forwarding the

resulting award letters (output documents) back to the aid office for review and mailing.

9.5.2 Steps in Packaging



Whether you have a large or small, manual or automated office, some standard steps are taken in packaging student awards. In an automated system, some of these steps will be accomplished by the computer, based on information you provide. In a manual system, it is the aid administrator's sharp eye and trained mind that accomplish the same tasks.

Step 1. Determining the Student's Budget (Cost of Attendance)

You will determine the appropriate student budget (cost of attendance) for all campus-based and Stafford Loan/ SLS/PLUS awards after examining student enrollment status. As we saw in Module 7, Calculating Cost of Attendance, these can be individualized budgets or standard budget categories based on variations in tuition and fee costs and living circumstances. Budget modifications must be made for students planning less than full-time enrollment or less than an academic year of attendance. Any budget adjustments based on special circumstances and professional judgment should be made at this time and documented in the student's file.

Module 7, Calculating Cost of Attendance

Step 2. Calculating the Student's Financial Need for Campus-Based and Institutional Funds

You will calculate financial need (gross need) by comparing the student expense budget (COA) to the expected family contribution (EFC) from the approved Congressional Methodology need analysis report received on the student. If a student budget (COA) has been adjusted for less than a full academic year of attendance, a corresponding adjustment would be made in the EFC figure. By "comparing" these two figures, we mean using our formula:

Gross Need = Student Budget - EFC

Student Budget (COA) - EFC = Financial Need (Gross Need)

Before packaging the student with campus-based funds, we need to determine whether the student has:

Gross Need
- Pell Grant
- Stafford/SLS/PLUS
- Other Resources
= Net Need

At this stage in your review, you may eliminate some applicants because they fail to show financial need.

- other outside resources for educational expenses (e.g. state grants, outside scholarships, and veterans

educational benefits not calculated in the student's EFC);

- ✧ a Pell Grant award; or
- ✧ a Stafford Loan or SLS/PLUS loan already processed through a lender for the same period of attendance.

Since you will not usually adjust outside sources of funding or a Pell Grant, and generally would not adjust a processed Stafford Loan, you must package around them. You are expected to coordinate all possible sources of aid to prevent an overaward and to make the most effective use of campus-based and institutional funds. We can now make our basic formula more detailed and specific:

At this stage in your review, you may eliminate some students from further review by determining that a student's need is sufficiently met by the Pell Grant and/or outside resources.

Student Budget (COA) - EFC - Other Resources - Pell Grant - Stafford/SLS/PLUS
= Net Need for Campus-Based and Institutional Funds (Remaining Need)

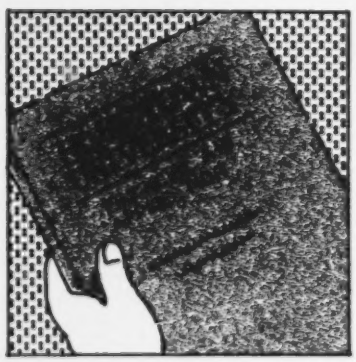
You can see from its placement in the formula why the Pell Grant is often referred to as the "threshold" or "foundation" program in award packaging. Campus-based Title IV funds and institutional funds are awarded only after a student's Pell Grant eligibility is known, or at least estimated. These additional funds build upon the Pell Grant and any other resources to meet the student's financial need.

Treatment of SLS and PLUS:

- Institutions have the option of allowing families to use a PLUS or SLS loan to substitute for the EFC. SLS/PLUS funds in excess of the EFC are considered financial assistance.
- A student's Stafford Loan eligibility must always be determined before an SLS loan application is certified.

Depending upon the COA at an institution, a Stafford Loan may be assumed in the packaging process. Higher cost institutions may regard a Stafford Loan as a required part of the award package. At other institutions, it is often treated as a supplemental source of assistance after packaging of campus-based and institutional funds.

Step 3. Identifying Students with Exceptional Financial Need for Priority in Packaging SEOG and Perkins Loan Funds



You will identify those students who have the lowest EFC and who have been awarded Pell Grants. Perkins Loan funds will be awarded to students with exceptional financial need according to institutional policies.

Step 4. Packaging Campus-Based and Institutional Funds

You will package awards with campus-based and institutional funds according to the award packaging policy for the award year.

Step 5. Referral to Other Supplemental Sources of Assistance

You will refer eligible students to supplemental sources of assistance. Supplemental assistance is available for eligible students from Bureau of Indian Affairs (BIA) grants and state vocational rehabilitation funds. These agencies require students to apply and to determine their eligibility for all other forms of financial aid before they can be considered for these funds. The Stafford Loan, SLS, and PLUS programs may be considered as supplemental sources of assistance if they are not included as part of the student's aid package as described under Step 2. Stafford Loan applicants must also be advised of the availability of state grant assistance if the institution has no record that the student has applied to be considered for these funds.

9.5.3 Case Studies

The case studies on the following pages will give you practice in developing award packages.

Using Marge Moore's Hometown University (HU) packaging policy chart (on page 12) and the information provided below, finish the award packages for Cesar Rios and Diana Jefferson. Wherever you find *question marks*, determine the correct figures to complete the award packages.

Case 1: Cesar Rios (Sophomore, Full-Time)

In-state resident
Status/living circumstances: single, dependent student residing off campus with parents
Outside resources: AFL-CIO Scholarship $300
Pell Grant award: $1,000
State grant: $500
Self-help preference stated on aid application: CWS

Need Calculation

Student Budget	$5,213
- EFC	- 950
= Gross Need	$4,263
- Outside Resources	- 300
- Pell Grant	- 1,000
- State Grant	- 500
= Remaining Need (Net Need) for Campus-Based Funds	$2,463

Award Package

Outside Resources	$300
Pell Grant	1,000
HU Grant or Acad. Scholarship	?
State Grant	500
SEOG	?
CWS	?
Perkins Loan	?
Total	?

Solution to Case 1: Cesar Rios

Follow the award packaging sequence for aid distribution using the chart on page 12.

Step 1. Cesar is a *sophomore.*

Step 2. Gross Need: $4,263. Net Need: $2,463.

Step 3. Gift aid. Not an EOP student.

D1–SEOG. Sophomores get up to 60% gift aid.
.60 x 2,463 = $1,478.
Double-check: this is between maximum ($1,500) and minimum ($100), so it's okay.
So SEOG: $1,478.

D2–HU Grant or Academic Scholarship.
Full 60% of gift aid already awarded as SEOG.
No further gift aid can be awarded.
So HU Grant or Academic Scholarship: $0.

Step 4. Preference for CWS. Sophomores get up to 40% self-help aid.
.40 x 2,463 = $985.
Double-check: this is between maximum ($1,500) and minimum ($900), so it's okay.
So CWS: $985. *Perkins Loan:* $0.

Step 5. Campus-based aid so far: $1,478 + $985 = $2,463.
So No Remaining Need--Net Need fully met.

Award Package

Outside Resources:	$300	
Pell Grant:	1,000	
		Subtotal = $1,300
HU Grant or Acad. Scholarship	0	
State Grant	500	
SEOG	1,478	
CWS	985	
Perkins Loan	0	
		Subtotal = $2,963
Total	$4,263	

Case 2: Diana Jefferson (Freshman, Full-Time)

EOP Program, out-of-state student
Status/living circumstances: married, residing off campus
Outside resources: Scholarship $2,000
Pell Grant award: $1,650
State grant: 0
Self-help preference stated on application: Perkins Loan

Need Calculation

Student Budget	$8,523
- EFC	-1,200
= Gross Need	$7,323
- Outside Resources	-2,000
- Pell Grant	-1,650
- State Grant	-0
= Remaining Need (Net Need) for Campus-Based Funds	$3,673

Award Package

Outside Resources	$2,000
Pell Grant	1,650
HU Grant or Acad. Scholarship	361
State Grant	0
SEOG	?
CWS	?
Perkins Loan	?
Total	?

Solution to Case 2: Diana Jefferson

Follow the same sequence as in the solution to Case 1.

Step 1. Diana is a *freshman.*

Step 2. Gross Need: $7,323. Net Need: $3,673.

Step 3. Gift aid. EOP student.

D1--SEOG. EOP students get up to 75% gift aid.
.75 x 3,673 = $2,755.
Double-check: EOP student maximum is $2,000.
You can award only $2,000 in SEOG based on the institution's policy of a $2,000 award maximum. Remaining $755 gift aid cannot be awarded as SEOG.
So SEOG: $2,000.

D2--HU Grant or Academic Scholarship.
Diana is eligible for an additional $755 in gift aid. This is between the EOP student maximum ($1,500) and minimum ($200).
So HU Grant or Academic Scholarship: $755.

Step 4. Preference for Perkins Loan. EOP students get up to 25% self-help aid.
.25 x 3,673 = $918.
Double-check: This is within the $1,000 limit.
So Perkins Loan: $918. CWS: $0.

Step 5. Campus-based aid so far: $2,000 + $755 + $918 = $3,673.
So No Remaining Need--Net Need fully met.

Award Package

Outside Resources:	$2,000	
Pell Grant:	$1,650	
		Subtotal = $3,650
HU Grant or Acad. Scholarship	755	
State Grant	0	
SEOG	2,000	
CWS	0	
Perkins Loan	918	
		Subtotal = $3,673
Total	$7,323	

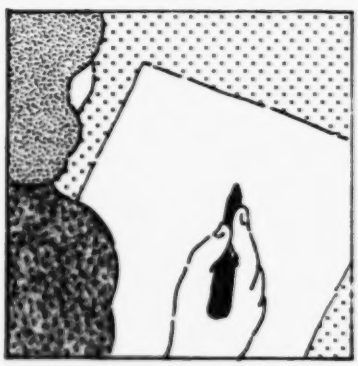
9.5.4 Manual Award Packaging

A manual system of award packaging is packaging without automated support. It requires the aid administrator to evaluate each student's file. It includes need determination and the consistent application of the institution's packaging policy in the construction of the student's award package. This system of packaging generally requires the aid administrator to monitor the declining balance of funds manually and to detect any errors or inconsistencies in the application of the packaging policy. Data from previous years' packaging used in developing current and future year policy would be based upon manual records maintained by the aid administrator. Award letters would usually be manually typed.

For an example of worksheets that can be used to monitor awards and the declining balance of funds in a manual office, refer to Module 16, Forms and Publications.

One of the most effective methods for implementing and documenting award packaging in a manual system is the use of an award packaging worksheet. An individual worksheet is prepared for each student, recording:

- ✧ enrollment status;
- ✧ academic level (e.g. freshman, sophomore, etc.);
- ✧ academic program;
- ✧ student budget or cost of attendance;
- ✧ demonstrated financial need;
- ✧ award information (award types and amounts); and
- ✧ unmet need following awarding.



The signature of the administrator packaging or revising the award should be included on the worksheet along with any comments on the student's file or award package.

An example of a packaging worksheet is shown on the following page.

EXAMPLE OF A PACKAGING WORKSHEET

TERMS ATTENDING		
FALL [X]	SPRING [X]	SUMMER [ ]

NAME: Rachel Levine

SOCIAL SECURITY NUMBER:

Class Year	Residency Status: Resident	Residency Status: Non-Resident	Marital Status: Single	Marital Status: Married	Dependency Status: Number of Children	Dependency Status: Dependent	Dependency Status: Independent	Student Will Live: On Campus	Student Will Live: Off Campus	Student Will Live: With Parents	Aid Preference
2		X	X		0	X		X			2

A	Budget		4,950
B	Parental Contribution	540	
C	Student Assets	345	
D	Student Earnings	900	
E	Total Family Resources (B + C + D)		1,785

F	Financial Need (A-E)		3,165
G	Outside Resources (II)	684	
H	Institutional Awards (I)	2,400	
I	Total Aid (G + H)		3,084
J	Unmet Need (F-I)		81

I INSTITUTIONAL FEDERAL AID	FALL Initial	FALL Revised	SPRING Initial	SPRING Revised	SUMMER Initial	SUMMER Revised	TOTAL	
SEOG	150		150				300	
Acad. Schol.	500		500				1,000	
CWS	550		550				1,100	

II OUTSIDE RESOURCES	FALL Initial	FALL Revised	SPRING Initial	SPRING Revised	SUMMER Initial	SUMMER Revised	TOTAL	
Pell Grant	142		142				284	
Elks Schol.	200		200				400	

Initial Award Assignment Made by: M. Keene	Date: 4/2/88	
First Adjustment Made by	Date	
Reason		
Second Adjustment Made by	Date	
Reason		

COMMENTS:

Full-time, full year enrollment anticipated - 15 credit hours

2-Sophomore 3-Performance fee CWS in self-help

Art student - $200 budget adjustment for additional supplies

Eligible - Acad. Schol.

Class Year Key:

1 = freshman
2 = sophomore
3 = junior
4 = senior
5 = graduate

Aid Preference Key:

1 = gift aid only
2 = self-help preference (CWS)
3 = self-help preference (Perkins Loan)
4 = self-help, mixture of CWS and student loan requested

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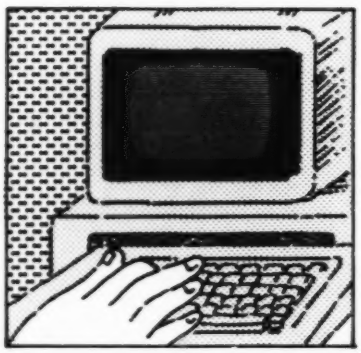
9.5.5 Automated Award Packaging

A growing number of financial aid offices use automated award packaging systems. Computer software for award packaging may be developed by your institution's data processing department based on parameters and other information provided by the financial aid office, or a software package that can be used with your institution's computer system may be purchased from a vendor. In addition to the immediate packaging function, an automated system can also provide you with:



- ✧ declining balances of total available funds as awards are made
- ✧ historical data on packaging practices and the distribution of funds by categories of students and income level
- ✧ award notification letters
- ✧ edit messages indicating potential overaward situations in individual student cases
- ✧ reports and statistics

To implement a packaging policy in an automated system, an aid administrators may follow these steps:

1. Provide computer programmers with specific packaging information (e.g. award minimums and maximums or priorities in awarding) based on your award year packaging policy and procedures. This information might include:
   - fund totals by type of aid
   - award minimums and maximums by type of aid
   - student categories (graduate, undergraduate, independent, dependent, etc.)
   - budget types and costs
   - eligibility restrictions for specific categories of students
   - prescribed percentage distribution of gift and self-help aid
   - sequence for packaging the various types of aid
2. Provide the data processing center with test data on a small number of students carefully selected to represent the full range of financial aid packaging possibilities. Review the results of the test run, evaluating test cases for errors, inconsistencies, or inequitable packaging treatment.

3. Revise the policy and provide revised specifications to programmers to modify the software if necessary. Request a run of additional test cases, repeating steps 2 and 3 until all problems are resolved.

4. Input data on all applicants and begin regular use of the packaging program.

5. Print award letters.

Most automated systems allow you either to package a group of applications in one computer run, or to package individually or revise a single student's award. Your office organization and its packaging policy may determine how you use your automated system. For example, procedures will differ in aid offices that use fixed deadlines for aid applications and package the majority of their students at one time versus those offices that package on a rolling basis as long as funds are available.

9.5.6 Award Notification and Appeal Procedure

All student applicants for financial aid, both eligible and ineligible, must be notified of their status. Ineligible students must be told the reasons for their ineligibility and referred to other potential aid sources if there are any available. Eligible students receiving awards must be notified of the sources and amounts of their awards. Terms and conditions for accepting and finalizing the awards must also be outlined. Module 16 contains a sample student aid award letter.

Module 16, Forms and Publications

Most institutions require signed acceptances of financial aid awards. This enables them to accurately monitor available funds, and to contact students about additional steps that must be taken to finalize their awards. Student loans require the completion of promissory notes and other forms. Student work programs involve securing job placement.

Regardless of the method you employ in packaging awards, procedures must be established for student appeals of the amounts and types of aid awarded (see the sample statement below). You may find that appeals often reveal changed family financial circumstances of which the financial aid office was unaware but which affect eligibility.

Appeals should be written and may be directed to the aid administrator, financial aid committee, or other party designated to hear appeals. Students should be informed of the results of their appeals in writing. Award adjustments made as a result of appeals must be documented in the student files. Appeal procedures should be included in financial aid student consumer publications.

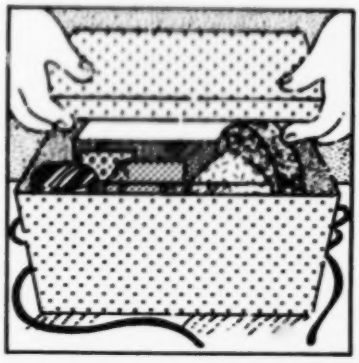
SAMPLE APPEAL PROCEDURES

Hometown University students wishing to appeal a determination that they are ineligible for student aid or to request a revision in their award package must send a written appeal to the Director of Student Financial Aid. Information on the acceptable bases for students' appeals is available in the *Hometown University Student Financial Aid Handbook* and the financial aid brochure. Appeals should include an explanation of the reason for the appeal. Any documentation supporting the appeal should be attached.

Appeals are reviewed by the Financial Aid Committee every two weeks. Students are informed of appeal decisions in writing no later than five working days following committee action. The decision of the Financial Aid Committee is final.

Sample appeal policy statement: Hometown University

9.6 PACKAGING TECHNIQUES AND VARIATIONS



In an introductory course of this nature, it is impossible to treat all the packaging techniques in depth. However, you should be familiar with the basic award packaging techniques and variations that are used.

9.6.1 Packaging Techniques

You need to be aware of six basic packaging techniques:

1. Individualized Packaging

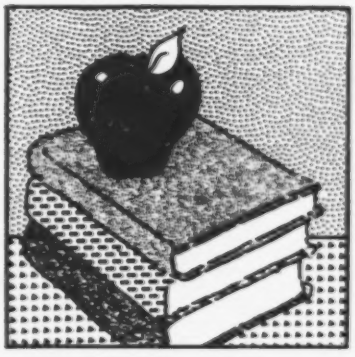
This technique provides for award packaging based on the aid administrator's evaluation of a student's individual costs, resources, and needs. As a result, each financial aid package is a customized one.

2. *Packaging on a First-Come, First-Served Basis*

Using this technique, financial aid awards would be made in the order in which completed applications are received by the aid office until funds are exhausted. Early applicants would receive prime consideration for all available funds. Later applicants would receive packages made up of remaining funds, most of which would probably be student loans, regardless of each student's need or circumstances.

3. *Specialized Packaging for Targeted Groups*

This approach provides for using separate packaging criteria for specific groups of students in addition to specific selection criteria required by law or regulation (that is, exceptional financial need priority for SEOG and Perkins Loan). Hometown University's packaging for economically disadvantaged students admitted to their Educational Opportunity Program is an example of this approach.



4. *The Ladder Concept of Packaging*

This approach is a cornerstone of the Hometown University case studies. All applicants are treated identically, and the package is constructed in the following order:

a) Family contribution
b) Other external awards (private scholarship, etc.)
c) Pell Grant award
d) Gift aid (grants and scholarships)
e) Self-help (work-study and loans) to meet remaining need

5. *The Self-Help Concept of Packaging*

All applicants are treated similarly, as in the ladder concept; however, self-help is awarded before a student is considered for gift aid. Self-help assistance is awarded after the family contribution, Pell Grant award, and other external aid are subtracted from the student's budget. Gift aid is awarded only if maximum award levels for self-help fail to meet the student's full need.

This concept requires that a standard institutional maximum self-help award be determined. This can be computed according to the following formula:

$$\text{Maximum Work or Loan Award} = \frac{\text{Total Work or Loan Funds Available for Awarding}}{\text{Number of Needy Students from the Applicant Pool}}$$

Example: Computation of Standard Institutional Maximum Self-Help Award

$$\text{Maximum Work or Loan Award} = \frac{300{,}000}{150} = \$2{,}000$$

Some students may not show enough need for this maximum award amount. Others who receive this maximum award and continue to show need are then considered for additional gift aid assistance.

6. *The Equity Concept of Packaging*

Two versions of the equity concept are in use:

✦ **Absolute Equity.** All students are funded up to an institutional maximum fixed dollar amount with gift aid before their remaining need is filled with self-help assistance. The institutional maximum fixed dollar figure for gift aid is computed according to the following formula:

$$\text{Fixed Dollar Equity Level} = \frac{TC}{S} - \frac{TC - (TR + TG)}{S}$$

TC = total costs for all students
TR = total outside resources of all eligible students (student contribution, parents' contribution, Pell Grant award, outside scholarships, etc.)
TG = total gift aid money available for awarding by the institution (SEOG, institutional grants and scholarships, tuition waivers, and general fellowships and assistantships)
S = number of eligible students to be packaged

Example: Computation of an Institutional Maximum Fixed Dollar Equity Amount for Gift Aid

TR = $300,450
TG = $120,000
TC = $575,000
S = 150

$$\text{Fixed Dollar Equity Level} = \frac{575{,}000}{150} - \frac{575{,}000 - (300{,}450 + 120{,}000)}{150} = 3{,}833 - 1{,}030 = \$2{,}803$$

The equity level dollar figure resulting from our formula (see example: $2,803) should then be reduced. This is necessary because some students already have resources in excess of the equity figure. Since these resources inflate the figure and cannot be redistributed to other students, the absolute (dollar) equity figure should be reduced--for example, $2,803 reduced to $2,500.

✦ **Fixed Percentage Equity.** An institutional maximum percentage level for gift aid is used rather than a fixed dollar level. All students would receive the same percentage of gift aid in proportion to their costs. The student's gift aid, when added to family contribution, Pell Grant, and other outside resources, will reach the fixed percentage equity level computed by the institution. This concept was used in the Hometown University case studies.

The formula for computing the institutional maximum fixed percentage equity level is:

$$\text{Fixed Percentage Equity Level} = \frac{IR + IG}{TC} \times 100\%$$

The fixed percentage should be reduced for the same reason our equity level dollar figure was reduced–for example, 73% reduced to 70%.

Example: Computation of an Institutional Maximum Fixed Percentage Equity Level for Gift Aid

Fixed Percentage Equity Level =

$$\frac{300,450 + 120,000}{575,000} \times 100\% = 73\%$$

9.6.2 Packaging Variations

In addition to these packaging techniques, there are some other packaging variations you may see:

- *Increasing or decreasing self-help requirements based on academic level or other circumstances.* Example: Hometown University's policy illustrates increasing self-help requirements by academic level. HU considers students who are nearing the end of their academic programs capable of managing an increased level of self-help. Other institutions may decrease self-help based on the increasing workload students are subject to as they progress academically. HU also shows a special category of students in the Educational Opportunity Program who have a decreased self-help expectation. For the most part, they are academically under-prepared, low-income students, and Hometown University does not want them to assume excessive work or loan obligations for undergraduate study.

- *Employment self-help requirements reduced for academically underprepared or probationary students, or for superior students.*

- *Option of student choice in the self-help (loan/employment) component of the aid package.* Example: Hometown University allows students to state a preference for work or loan assistance and packages student self-help aid accordingly.

CASE STUDY: COMPARISON OF PACKAGING TECHNIQUES

The following comparative case study illustrates the use of the major award packaging techniques for an independent undergraduate student named Donna True.

Donna True

EFC	$1,487
Pell Grant	+700
Other External Awards	+200
Subtotal	$2,387
Student Budget	6,700
	-2,387
= Net Need	$4,313

✦ **Packaging Technique: Ladder**

SEOG	$800
Equity Grant	N/A
Perkins Loan	1,000
Institutional Loan	0
CWS	1,000
Stafford/SLS/PLUS	1,500
•*UNMET NEED*	$13

Awarding Sequence, Ladder Concept

1. Family Contribution
2. Pell Grant and other external awards
3. SEOG and other institutional grants/scholarships
4. Perkins Loan and/or institutional loan
5. CWS
6. Stafford/PLUS/SLS

Award Parameters

Type of Award	*Acad. Year Minimum*	*Acad. Year Maximum*
SEOG	$100	$800
CWS	$400	$1,000
Perkins Loan	$100	$1,000
Institutional Loan	$50	$500
Equity Grant	$50	$400

Ladder Concept Packaging Steps:

Steps 1 and 2. Subtract the family's contribution, the actual or estimated Pell Grant and external awards from the student's budget.

Step 3. If award minimum requirement is met package SEOG up to the institution's award maximum of $800. (Equity grant is not applicable in the ladder concept.)

Step 4. If award minimum requirements are met, package Perkins Loan *and/or* institutional loan up to award maximum of $1,000.

Step 5. If award minimum requirement is met, award CWS up to award maximum of $1,000.

Step 6. Recommend Stafford, SLS,* or PLUS loan to meet remaining need (rounded). *Option:* The aid administrator could also approve the use of a PLUS or SLS loan to meet all or part of the expected family contribution.

*As an *independent* undergraduate, Donna is eligible for the SLS program as well as the Stafford Loan program. Stafford Loan eligibility must always be determined before a student's SLS loan application is certified. (*Dependent* undergraduates may receive SLS loans only if the aid administrator determines that a PLUS loan cannot be obtained.)

✦ **Packaging Technique: Self-Help**

Perkins Loan	$1,000
Institutional Loan	500
CWS	1,000
SEOG	800
Equity Grant	N/A
Stafford/SLS/PLUS	1,000
•*UNMET NEED*	$13

Self-Help Concept Packaging Steps:

Steps 1 and 2. Same as in the ladder concept.

Step 3. *Package self-help aid before gift aid.* If award minimum requirements are met, package Perkins Loan *and* institutional loans up to the award maximums of $1,000 and $500.

Step 4. If award minimum requirement is met, package CWS up to award maximum of $1,000.

Step 5. If award minimum requirement is met, package SEOG up to the institutional award maximum of $800. (Equity grant is not applicable using the self-help concept.)

Step 6. Recommend Stafford, SLS, or PLUS loan to meet remaining need (rounded). *Option:* As in the ladder technique, the aid administrator could also approve the use of a PLUS or SLS loan to meet all or part of the expected family contribution.

✦ **Packaging Technique: Absolute Equity ($2,500)**

SEOG	$100
Equity Grant	0
Perkins Loan	1,000
Institutional Loan	0
CWS	1,000
Stafford/SLS/PLUS	2,200
•*UNMET NEED*	$13

Calculation of Absolute Equity:

Institution's Maximum Equity Level	$2,500
Student's External Resources	- 2,387
Student's Grant Eligibility	$100**

**Rounded to nearest $50.

Awarding Sequence, Self-Help Concept

1. Family Contribution
2. Pell Grant and other external awards
3. Perkins Loan and/or institutional loan
4. CWS
5. SEOG and other institutional grants/scholarships
6. Stafford/PLUS/SLS

Award Parameters

Type of Award	*Acad. Year Minimum*	*Acad. Year Maximum*
SEOG	$100	$800
CWS	$400	$1,000
Perkins Loan	$100	$1,000
Institutional Loan	$50	$500
Equity Grant	$50	$400

Awarding Sequence, Absolute Equity

1. Family Contribution
2. Pell Grant and other external awards
3. SEOG
4. Equity Grant* (if any)
5. Perkins Loan and/or institutional loan
6. CWS
7. Stafford/PLUS/SLS

*made up of federal and/or institutional grant/scholarship sources

Award Parameters

Type of Award	*Acad. Year Minimum*	*Acad. Year Maximum*
SEOG	$100	$800
CWS	$400	$1,000
Perkins Loan	$100	$1,000
Institutional Loan	$50	$500
Equity Grant	$50	$400

Absolute Equity Awarding Steps:

Steps 1 and 2. Same as in the ladder concept.

Step 3. Calculate absolute equity. In this case the equity grant, an amount of calculated gift aid to be awarded before any self-help aid is awarded, is $100. Since this is the minimum SEOG award amount, an SEOG for $100 is awarded.

Step 4. Since equity grant eligibility is met by SEOG, no additional institutional grant is awarded.

Step 5. Package self-help aid. If award minimum requirement is met, award Perkins Loan *and/or* institutional loan up to the award maximum of $1,000.

Step 6. If award minimum requirement is met, award CWS up to award maximum of $1,000.

Step 7. Recommend Stafford/SLS/PLUS to meet remaining need (rounded). Option described in (6) under ladder concept packaging step applies.

✦ **Packaging Technique: Fixed Percentage Equity (70%)**

SEOG	$600
Equity Grant	1,500
Perkins Loan	1,000
Institutional Grant	200
CWS	1,000
Stafford/SLS/PLUS	0
•*UNMET NEED*	$13

Calculation of Fixed Percentage Equity:

Budget	= $6,700
	x .70
Equity Level	$4,690
External Resources	-2,387
Student Grant Eligibility	$2,300

Fixed Equity Awarding Steps:

Steps 1 and 2. Same as in the ladder concept.

Step 3. Calculate fixed percentage equity to determine maximum gift aid to be awarded ($2,303). If SEOG minimum requirement of $100 is met, award equity grant up to the student's equity

Awarding Sequence, Fixed Percentage Equity

1. Family Contribution
2. Pell Grant and other external awards
3. SEOG
4. Equity Grant (if any)
5. Perkins Loan and/or institutional loan
6. CWS
7. Stafford/PLUS/SLS

Award Parameters

Type of Award	*Acad. Year Minimum*	*Acad. Year Maximum*
SEOG	$100	$800
CWS	$400	$1,000
Perkins Loan	$100	$1,000
Institutional Loan	$50	$500
Equity Grant	$50	$400

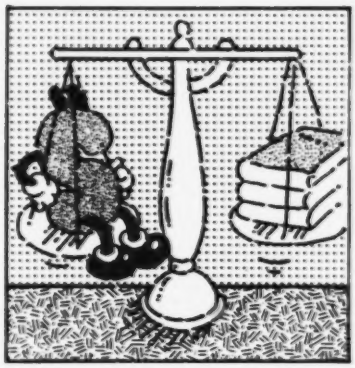
grant eligibility or the award maximum ($800), whichever is less.

Step 4. If award minimum requirement is met, award equity grant up to the student's equity grant eligibility or the award maximum ($2,300), whichever is less.

Step 5. Package self-help aid. If the award minimum is met, award Perkins Loan *and/or* institutional loan up to the award maximum of $1,000.

Step 6. If the award minimum requirement is met, package CWS up to the award maximum of $1,000.

Step 7. Recommend Stafford/SLS/PLUS for remaining need (rounded). *Option:* As in the ladder technique, the aid administrator could also approve the use of a PLUS or SLS loan to meet all or part of the calculated EFC ($1,500).



SUMMARY OF PACKAGING TECHNIQUES AND CONCEPTS

NET NEED = $4,313

Awarding Sequence: Ladder Concept

1. Family Contribution
2. Pell Grant and other external awards
3. SEOG and other institutional grants/scholarships
4. Perkins Loan and/or institutional loan
5. CWS
6. Stafford/PLUS/SLS

Awarding Sequence: Self-Help Concept

1. Family Contribution
2. Pell Grant and other external awards
3. Perkins Loan and/or institutional loan
4. CWS
5. SEOG and other institutional grants/scholarships
6. Stafford/PLUS/SLS

Packaging Technique: Ladder

SEOG	$800
Equity Grant	N/A
Perkins Loan	1,000
Institutional Loan	0
CWS	1,000
Stafford/SLS/PLUS	1,500
*UNMET NEED	$13

Packaging Technique: Self-Help

Perkins Loan	$1,000
Institutional Loan	500
CWS	1,000
SEOG	800
Equity Grant	N/A
Stafford/SLS/PLUS	1,000
*UNMET NEED	$13

Awarding Sequence: Absolute Equity

1. Family Contribution
2. Pell Grant and other external awards
3. SEOG
4. Equity Grant (if any)
5. Perkins Loan and/or institutional loan
6. CWS
7. Stafford/PLUS/SLS

Awarding Sequence: Fixed Percentage Equity

1. Family Contribution
2. Pell Grant and other external awards
3. SEOG
4. Equity Grant (if any)
5. Perkins Loan and/or institutional loan
6. CWS
7. Stafford/PLUS/SLS

Packaging Technique: Absolute Equity ($2,500)

SEOG	$100
Equity Grant	0
Perkins Loan	1,000
Institutional Loan	0
CWS	1,000
Stafford/SLS/PLUS	2,200
*UNMET NEED	$13

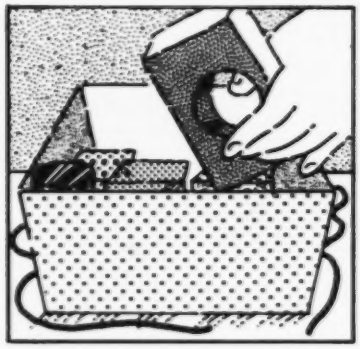
Packaging Technique: Fixed Percentage Equity (70%)

SEOG	$600
Equity Grant	1,500
Perkins Loan	1,000
Institutional Grant	200
CWS	1,000
Stafford/SLS/PLUS	0
*UNMET NEED	$13

SUMMARY

With the award packaging module, we have presented you with an examination of the last of the three "big picture" concepts we began to discuss with Module 7.

Award packaging is the end result of your determination of educational costs (*cost of attendance*), a family's ability to contribute to those costs (the *expected family contribution*, based on need analysis), and the resulting *financial need*. These are fundamental concepts in financial aid.



Our discussion has also given you information that should allow you to:

- evaluate your own institution and determine an appropriate financial aid packaging philosophy and award policy based on specific federal and institutional guidelines;
- package awards for your students; and
- provide necessary information to students on your award packaging selection criteria and procedures.

POST-TEST

1. Institutions are free for the most part to determine their own financial aid award packaging policies. True or False?

2. By regulation, all eligible students in the same academic program must be awarded an equal amount of College Work-Study aid. True or False?

3. The selection criteria used by the institution to award Title IV aid must: (circle all that apply)

   a. be in writing
   b. be uniformly applied to all eligible students
   c. be maintained in the files of the student financial aid office
   d. remain unchanged unless the Department of Education approves a change and signs a new Participation Agreement with the school
   e. be the same for all proprietary institutions
   f. include procedures to ensure that students with exceptional financial need are given priority for SEOG and Perkins Loan funds

4. According to Title IV student aid regulations, an institution's packaging policy must meet the full financial need of any eligible student. True or False?

5. In award packaging, other outside resources, such as an outside scholarship not used in computing the expected family contribution, should be considered in packaging Title IV aid to prevent an overaward. True or False?

6. Although a packaging policy is in use and is on file in the financial aid office, the aid administrator may deviate from it on a case-by-case basis when special circumstances are involved. True or False?

7. A student's aid package must be adjusted whenever the aid administrator becomes aware of a previously unreported resource which, when added to existing aid, would cause an overaward. True or False?

8. Some of the standard features of a detailed award packaging policy include: (circle all that apply)

   a. formulas for computing the family's EFC
   b. minimum and maximum award amounts for each type of assistance
   c. percentages of gift aid and self-help assistance that can be expected in award packages for specific categories of students, as well as percentages of total need that can be met
   d. procedures for calculating a student's cost of attendance
   e. policies on funding late applications and multiple class starts
   f. priorities in funding, should funds be insufficient
   g. procedures for identifying exceptionally needy students who must receive SEOG and Perkins Loan funding priority

9. Which award packaging technique funds applicants with non-self-help aid up to a certain dollar amount?

   a. the ladder concept
   b. the self-help concept
   c. the absolute equity concept

10. Self-help forms of aid are: (circle all that apply)

   a. loans
   b. outside grants obtained by the student
   c. College Work-Study jobs
   d. SEOG
   e. Pell Grant

11. The term "award packaging" refers to the process used to: (circle all that apply)

   a. demonstrate financial need
   b. distribute available student aid resources to eligible students
   c. establish the family's expected contribution
   d. award combinations of types of aid (grants, loans, and work opportunities) to meet a student's financial need
   e. revise an award to prevent overawarding

12. In packaging aid, the aid administrator must always award self-help forms of aid before awarding any grant assistance. True or False?

13. The fixed percentage equity award packaging technique includes the following: (circle all that apply)

   a. a fixed dollar amount of gift aid to be awarded to all eligible students
   b. a formula for determining a percentage of gift aid
   c. a fixed percentage level of gift aid to be awarded to all eligible students
   d. an increasing percentage of self-help aid to be awarded to all eligible students as they progress toward the completion of their academic programs

ANSWERS

1. True. Within the law and federal regulations, institutions may develop individual packaging policies to suit their institutional philosophy and student population. (For more information, see Section 9.2.)

2. False. No regulation specifies that students must be awarded equal amounts of any form of federal assistance. (9.2.1)

3. a., b., c., and f. Selection criteria must be in writing, be uniformly applied, and be maintained in the files of the aid office. These selection criteria may be changed by the institution whenever it feels it is necessary--no Department approval is required before a change is made. There is no requirement stating that an institution's selection criteria must be the same as any other institution's selection criteria. The policy must, however, follow the law and federal regulations and include the statutory exceptional need criteria for awarding funds under the SEOG and Perkins Loan programs. (9.2.1)

4. False. There is no Title IV regulation stating that full financial need must be met. In fact, many institutions are unable to meet the full financial need of all their students. However, institutions receiving federal grant funds to provide services to disadvantaged students under the TRIO Student Support Services program are required to provide sufficient assistance to meet the full financial need of students participating in those programs. (9.2.1, 9.4.1)

5. True. Outside resources and other nonfederal awards available to a student should be considered in awarding Title IV funds to prevent an overaward. (9.5.2)

6. True. Special circumstances may be taken into consideration resulting in adjustments to award packages--for instance, reducing the work-study expectation for a student in poor health. (9.5.2, 9.6.1)

7. True. Even though a student package has already been awarded, adjustments should be made to avoid an overaward. (9.5.2)

8. b., c., e., f., and g. An institution's detailed packaging policy usually includes: minimum and maximum amounts for each type of award; funding priorities, such as priority for exceptionally needy students for SEOG and Perkins Loans, priority (optional) for on-time applicants and continuing applicants, *etc.*; funding policies for late applications, multiple class starts (if applicable), and later academic sessions; and policies on the percentages of gift aid and self-help assistance typically included in packages for specific categories of students. (9.4.1)

9. c. The absolute equity concept. Under this concept, all students are funded up to a fixed dollar amount with gift aid before their remaining need is filled with self-help assistance. (9.6)

10. a. and c. Loans and work are referred to as self-help aid, in contrast to gift aid or grants. (9.1; see also Module 2, Section 2.4.)

11. b. and d. The term "award packaging" is used in a general sense to refer to distributing available student aid to eligible students and, more specifically, to the process of awarding combinations of types of aid. (9.1, 9.2.1)

12. False. The institution has considerable freedom in determining the composition of its aid packages and other aspects of the distribution of available financial aid. However, institutions must satisfy the applicable federal requirements. For example, aid must be made reasonably available to all less-than-full-time students if the institution's annual allocation was based on the financial need of these students. Institutions must also meet program-specific selection criteria for the SEOG and Perkins Loan programs which require that priority in awarding these funds must go to students who show exceptional financial need. (9.3, 9.6.1)

13. b. and c. The fixed percentage equity concept of packaging uses a formula to establish a percentage level for gift aid that will be applied to all students. All students would receive the same percentage of gift aid in proportion to their costs. (9.6.1)

Questions: 13 Your Score: ____ Percentage: ____

GLOSSARY

award year	The period of time between July 1 of one year and June 30 of the following calendar year.
commuting student	A student not residing in housing provided by the postsecondary institution the student is attending.
cost of attendance (COA)	Those charges and allowances established by the institution that are applicable to students for attendance for one academic year. Generally, the COA includes tuition and fees; allowances for room and board, books, supplies, transportation and miscellaneous expenses, child care, dependent care, and certain handicap-related expenses. There are significant differences between these components in the Pell Grant and campus-based/GSL programs. See Sections 411F and 472 of the Higher Education Act of 1965, as amended, for provisions on establishing institutional costs of attendance. The term *cost of attendance* is often used interchangeably with *cost of education*.
departmental scholarship	An award of gift assistance that is specifically designated for a recipient in a particular department within the school, college, or university. It may or may not be a need-based award.
dependent student	A student who does not satisfy any of the criteria for an **independent student** must be classified as an dependent student for the purposes of federal Title IV financial aid.
educational benefits	Funds, primarily federal, awarded to certain students--veterans, children of deceased veterans or other deceased wage earners, and students with physical handicaps--to help finance their postsecondary education without regard to financial need.
expected family contribution (EFC)	The figure which indicates how much of a family's financial resources should be available to help pay the expenses of postsecondary education. This figure is determined according to statutory formulas. The Pell Grant program calls the EFC the *Student Aid Index (SAI)*. The Congressional Methodology calls the EFC *the Family Contribution (FC)* for the campus-based and Stafford Loan programs.
financial need	The difference between the institution's cost of attendance and the family's ability to pay (the expected family contribution).
gift aid	Those forms of financial aid which require neither repayment nor that work be performed.

grant (programs)	Gift aid programs which require neither repayment nor that work be performed. Federal Title IV grant programs include the Pell Grant, SSIG, and SEOG.
gross need	The difference between a student's cost of attendance (student budget) and the family's expected contribution from income and assets.
independent student	To be classified as an independent student for federal Title IV financial aid, a student must be an individual who (a) is at least 24 years old by December 31 of the award year for which aid is sought; (b) is an orphan or ward of the court; (c) is a veteran of the Armed Forces of the United States; (d) has legal dependents other than a spouse (for example, dependent children or an elderly dependent parent); (e) is a graduate or professional student who will not be claimed as an income tax exemption by his or her parents or guardian for the first calendar year of the award year (for example, calendar year 1988 for award year 1988-89); (f) is married and will not be claimed as an income tax exemption by his or her parents or guardian for the first calendar year of the award year; or (g) is a single undergraduate student with no dependents who was not claimed as a dependent by his or her parents or guardian for the two calendar years preceding the award year, and who demonstrates total self-sufficiency for those two years as evidenced by annual total resources, (taxed and untaxed), of at least $4,000 in each of those years (for example, calendar years 1986 and 1987 for award year 1988-89). A student may also be determined to be an independent student on the basis of unusual circumstances documented by the aid administrator.
loan	An advance of funds which is evidenced by a promissory note requiring the recipient to repay the specified amount(s) under prescribed conditions.
overaward	The condition which exists when an institution provides financial assistance to a student which, in combination with all of the resources made available to that student from federal and nonfederal sources, exceeds the difference between the student's Cost of Attendance and the expected family contribution. While the above defines an overaward, an institution is not in violation of campus-based program regulations which prohibit overawards if: (a) the student receives funds after the institution awards aid and the total resources exceed his/her financial need by $200 or less; or (b) the student earns more money from employment than the institution anticipated when it made the award and it treats the earnings in accordance with program requirements.
packaging	The process of assembling one or more financial aid awards of loans, grants and/or scholarships, and employment for students.

parents' contribution	A quantitative estimate, according to the approved need analysis methodologies, of the parents' ability to contribute to postsecondary educational expenses.
payment period	An institutionally defined length of time for which financial aid funds will be paid to a student. For programs using academic terms, the payment period is the term itself. For programs not using academic terms, institutions must designate at least two payment periods within an academic year.
resident student	A student who does not live at home (with parents or guardian) during the academic year. An on-campus resident is one who lives in housing facilities owned and/or maintained by the institution.
student contribution	The amount the student is expected to contribute toward educational costs from base year income (taxed and untaxed), assets, and other resources. This is based on an analysis of income (taxes and untaxed) and assets with allowances provided for both to ensure that the student can meet necessary expenses.
unmet need	The difference between the sum of a student's total available resources and expected family contribution (EFC) and the total cost for the student's attendance at a specific institution.

ACRONYMS

EFC	Expected Family Contribution.

KEY RESOURCES

1. U.S. Department of Education, Office of Student Financial Assistance, *The Uses of Automated Data Management in the Administration of Student Aid*, Student Financial Assistance Training Program, Washington, D.C., OSFA/ED, 1983.

2. American College Testing Program, *Handbook for Financial Aid Administrators, 1988-89 Academic Year*, Iowa City, IA, ACT, 1988.

3. College Scholarship Service, *Manual for Student Aid Administrators: 1988-89 Policies and Procedures*, New York, NY, The College Board, 1988.

4. National Association of Trade & Technical Schools, *Financial Aid Tool Kit*, Washington, D.C., NATTS, 1988.

The references listed above can be obtained by contacting the publishing organization. For U.S. Department of Education addresses, see the inside back cover or the Support Booklet. For all other addresses, see the Support Booklet.

INDEX

A

absolute equity, in award packaging 9.6.1
appeal procedures (student), in award packaging 9.5.6
automated systems, award packaging 9.5.5
award packaging
- automated 9.5.5
- changes 9.2.1
- exceptional financial need 9.4.1
- federal guidelines 9.2.1, 9.4.1
- general principles 9.3
- institutional policies 9.2-9.5
- manual packaging 9.5.4
- part-time students 9.2.1
- sample policy statements 9.4
- steps in 9.4.2, 9.5.2
- techniques 9.6.1
- worksheet 9.5.4

B

balance (in aid package) 9.3

C

cost of attendance, campus-based and Stafford/SLS/PLUS programs, in award packaging 9.5.2

E

equity concept, in award packaging 9.6.1
exceptional financial need (SEOG and Perkins Loans) 9.4.1

I

individualized packaging 9.6.1
institutional policy and objectives, in award packaging 9.2.2, 9.2.3

L

ladder concept, in award packaging 9.6.1

O

outside sources of assistance, in award packaging 9.5.2

P

packaging. *See* award packaging

S

self-help concept, in award packaging 9.6.1

T

targeted packaging 9.6.1

58

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